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[REDACTED] 2737-65
12 July 1965
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MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Brig. Gen. James Stewart, USAF,
D/NRO Staff, regarding Additional Joint Procurement
of U-2 Aircraft

REFERENCE: Memorandum from D/NRO to General Ledford and
[REDACTED] dated 7 July 1965, Subject: Future
Needs for U-2 Aircraft ([REDACTED]-36629-65) 25X1A2g

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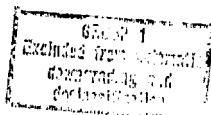
1. Having read the reference from Dr. McMillan with confusion and concern, and having discussed my misgivings [REDACTED] I called General Stewart to see if he could shed some light on exactly what was required by the D/NRO and to see if additional time could not be purchased in completing the reply. I asked for a change in the two deadlines in the reference from 20 July and 1 August to 6 and 20 August. I also conveyed to General Stewart my feeling that the paper was remarkably unclear and cluttered with a good deal of peculiar language on cost effectiveness.

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2. General Stewart disclaimed authorship of the reference and said that he would seek clarification on it from Dr. McMillan. He further added that he would propose the alternate dates which I have noted above. Later in the day he called me back to tell me that he had conferred with Dr. McMillan and had told the latter of our stated feeling that information in the detail requested could not be obtained in such a short time.

3. What emerged then from his talk with the D/NRO was a requirement for certain basic information which Dr. McMillan needed by 1 August with the understanding that whatever additional information was required over the basic amount could be forthcoming in the weeks that followed that time. Apparently the 1 August deadline represented an extension granted Dr. McMillan by the Secretary of Defense to that time for the supplemental fund requirement that would be necessary to support in FY66 the initiation of an additional procurement of U-2's.

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There may also be the implication that Dr. McMillan wished to clear this matter up before his retirement from the Undersecretary's job in September. The basis identified by General Stewart under the 1 August deadline were as follows:

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a. How many new U-2 aircraft would be procured to meet joint SAC and CIA requirements in the foreseeable future, i. e. the calendar period through FY71. Included in this compilation for planning purposes should be those aircraft which might be required by NASA [REDACTED] - at present a total of no more than six in all.

b. Having agreed on a number for total production, at what kind of pace should they be produced that is both technically defensible and economically acceptable.

c. What would the price be of the total procurement of aircraft and engines. The question of subsystems such as cameras and ELINT equipment was not discussed but undoubtedly will have to be before a final dollar figure can be firmed up. However, it could be assumed that if production is slow enough on the aircraft and engines, such needs for the time being might well be met from existing supplies of cameras and ELINT systems in the hands of SAC or ourselves. This point needs further clarification.

d. What cost phasing would be adopted for the U-2L procurement by years. Special reference apparently needs to be paid to keeping FY66 costs as low as possible and on an expenditure basis in order to minimize the impact of the unprogrammed amount. General Stewart in response to my questions used the tentative figure of \$10 to \$12 million as what he thought might be a palatable FY66 figure on an expenditure basis. He asked, of course, that he not be officially held to such a figure.

e. Following the achievement of an operational status for U-2L's, what are the projected costs for each year on a conservative basis for operation and maintenance of the combined fleet. This is

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a difficult question to answer in view of the basically different philosophies between SAC and ourselves on not only sortie rates but maintenance structure wherein SAC uses largely military maintenance and we use contractor maintenance throughout.

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4. The morning of 12 July I was in touch [REDACTED]

[REDACTED] on this subject, but between the two telephone calls I also talked to Kelly Johnson. Kelly [REDACTED] and General Ledford plan to meet in Washington 20 July on the general topic of U-2L procurement. I proposed to Kelly what I had discussed

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[REDACTED] namely forming a joint task group and going out to Burbank to sit down with he [REDACTED] on these questions but Kelly expressed a preference for doing his homework on the five principal questions alone before coming in on 20 July at which time he said he would bring [REDACTED] with him. [REDACTED] I agreed that there needed to be joint consultation between his office and ours on this subject in advance of Kelly's visit, accordingly it was agreed that we would try to get together the morning of 14 July at 0900 in this office. The meeting would be composed of himself, [REDACTED]

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[REDACTED] General Ledford, D/Tech, and myself. [REDACTED] made a special plea for a manageable meeting in terms of size. Kelly Johnson spoke of certain break-throughs which he felt now lay close to grasp and which he would discuss when he came in. I suspect from what he said that these deal with a completely redesigned wing using the NASA theory of camber since he said that the fuselage of his latest proposal would be the same as the original U-2L and the power plant would be ditto. I agreed to send Kelly a wire on the subject confirming our telecon and outlining the basic points which General Stewart made with me on the phone on 9 July.

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[REDACTED]
Deputy Assistant Director
(Special Activities)

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